

REMARKS

Reconsideration of this application as amended is respectfully requested. Claims 1-26, 29-35, 40-42 and 47-49 have been canceled; and claims 50-58 have been newly added. Therefore, claims 50-58 are in this application and are presented for the Examiner's consideration in view of the following comments.

Formal drawings for FIGS. 16 and 18, which include the Examiner's approved changes to FIGS. 16 and 18, are attached.

Claims 1-26, 29-35, 40-42 and 47-49 have been rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,199,076 issued March 6, 2001 to Logan et al. ("Logan") in view of U.S. Patent No. 5,841,979 issued November 24, 1998 to Schulhof et al. ("Schulhof"). Although Applicants do not agree, Applicants have canceled claims 1-26, 29-35, 40-42 and 47-49 in the interests of furthering prosecution.

Applicants have re-written independent claims 20 and 29 as new independent claims 50, 54 and 58 to make clear Applicants' claimed invention. Applicants respectfully submit that these claims recite allowable subject matter.

*Logan* describes a method and apparatus for transmitting, via the Internet, program data comprising audio, text, and images to a personal computer for listening and viewing thereat by a user. (*Logan*, col. 8, line 12 to col. 9, line 10.) The personal computer is configured with a sound card 110 and a speaker 113, along with storage elements 107 and 109. (*Logan*, FIG. 1.) Storage element 107 is used to store the program data, while storage element 109 is used to store usage information. (*Logan*, col. 4, lines 33 - 50.)

*Schulhof* describes a method and apparatus for transmitting audio data at higher data rates and storing the transmitted audio data in compressed form on a storage device

for subsequent playback. (*Schulhof*, col. 5, line 13 to col. 6, line 11.)

Applicants' independent claim 50 requires a first output terminal and a second output terminal for providing received compressed digital data or decoded digital data, respectively, to an external device. In addition, Applicants' claim 50 requires a controller that determines which type of data - the received compressed digital data or the decoded digital data - to provide to the external device as a function of a connection state with the external device. In particular, claim 50 requires:

a controller for controlling said device in accordance with a connection state between said device and the external device such that either said first output terminal provides the received compressed digital data to the external device, or said second output terminal provides the decoded digital data to the external device.

Applicants respectfully submit that neither *Logan* nor *Schulhof*, singly or in combination, meet the requirements of Applicants' claim 50. For example, neither *Logan* nor *Schulhof* describe, or suggest, a first output terminal and a second output terminal to an external device. Applicants can not find in *Logan* any external device - e.g., the display, speakers, microphone or storage elements of FIG. 1 of *Logan* - that meet these requirements of Applicants' claim 50. Similarly, Applicants cannot find in *Schulhof* any external device - e.g., the audio/visual display, audible display and hard disk drive of FIG. 1 of *Schulhof* - that meet these requirements of Applicants' claim 50.

In addition, neither *Logan* nor *Schulhof* describe, or suggest, a controller that determines which type of data to provide to the external device as a function of a connection state with the external device.

In addition, Applicants' claim 50 further requires that the first output terminal provide the received compressed digital through a bi-directional communication line while the decoded digital data is provided through a one way data communication line.

In view of the above, Applicants respectfully submit that claim 50 is allowable over the cited prior art.

Similar distinguishing requirements are found in Applicants' independent claims 54 and 58. As such, Applicants respectfully submit that claims 50-58 are in condition for allowance.

As it is believed that all of the rejections set forth in the Official Action have been fully met, favorable reconsideration and allowance are earnestly solicited. If, however, for any reason the Examiner does not believe that such action can be taken at this time, it is respectfully requested that the Examiner telephone Applicants' attorney at (908) 654-5000 in order to overcome any additional objections which the Examiner might have.

If there are any additional charges in connection with this requested amendment, the Examiner is authorized to charge Deposit Account No. 12-1095 therefor.

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Respectfully submitted,

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